

INTERIM REPORT JANUARY - MARCH 2008

Prevas AB (publ), CIN 556252-1384, published 2008-04-25, 8:30 CET. This is information made available to the public in accordance with the Securities and Clearing Operations Act and/or the Financial Instruments Trading Act.

Continued strong growth and good profitability

- Sales during the period amounted to SEK 153.7 (116.6) million, an increase of 32 percent.
- EBIT during the period amounted to SEK 16.8 (12.6) million, an increase of 33 percent. EBIT before depreciation of intangible fixed assets was SEK 18.4 (14.8) million.
- Operating margin for the period was 11.0 (10.8) percent. Operating margin before depreciation of intangible fixed assets was 12.0 (12.7) percent.
- Net income for the period was SEK 11.5 (8.8) million.
- Earnings per share after dilution were SEK 1.18 (0.95) for the period. Equity per share after dilution at the end of the period was SEK 13.6 (12.88).

A word from the CEO

Prevas began the new year with strong growth and good profitability. During the period, we initiated several improvement programs to increase income and decrease costs. The aim of these programs is to achieve long-term sustainable growth and good profitability.

For example, during the period, Prevas:

- Signed a 3-year general agreement with the SAAB Group, which is already one of Prevas' largest customers.
- Signed a global cooperation agreement with National Instruments.
- Has been successful in its efforts in Norway.
- Established a good level of profitability in its Industrial Systems business area.



The foundation and playing field are now set for continued success. By maintaining its focus on profitability, Prevas continues to grow and develop new offerings, with the Nordic region as its base and the entire world as its market. We feel that we are well positioned in a stable and growing market.

Mats Lundberg, CEO Prevas AB

Prevas develops intelligence in products and industrial systems. Prevas is an innovative IT company with a strong company culture that offers its customers solutions that will help them attain a world-class competitive edge. Prevas has delivered customer benefit in the form of profitable solutions for the future for over 20 years. Prevas' solutions are renowned for innovation, quality assurance and delivery reliability, which has qualified Prevas for many successful assignments from leading global enterprises.

Prevas has been listed on the OMX Nordic Exchange in Stockholm since 1998.

For more information, see www.prevas.se.

The Company

Offerings

Prevas develops intelligence in products and industrial systems.

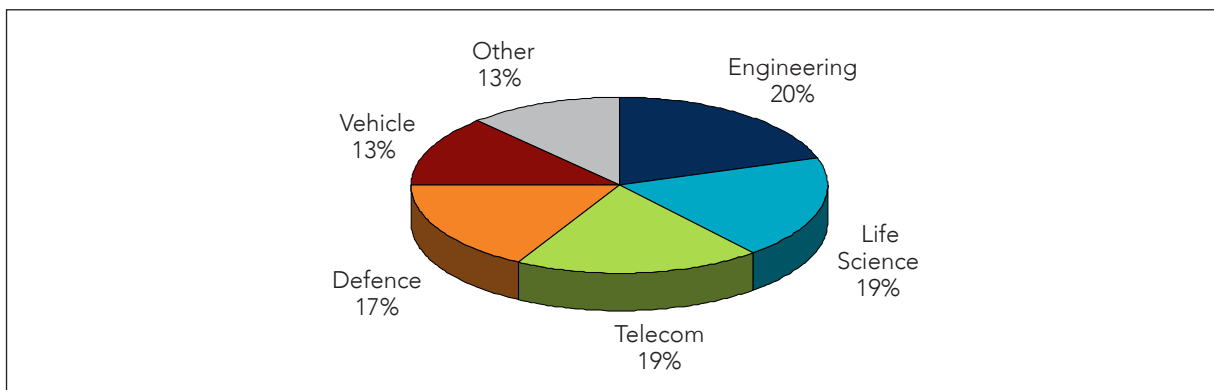
Within the Product Development business area, Prevas helps customers with the development of their own products. Prevas brings the content and intelligence to products, most often in the form of electronics, software and mechanics. Prevas participates in the entire product development process: from initial concept through manufacturing.

Within the Industrial Systems business area, Prevas' efforts revolve around productivity improvements at customer manufacturing facilities. Productivity and quality aimed at improved profitability are becoming increasingly important to industrial firms as global competition continues to rise. Requirements from authorities are also becoming a much stronger driving force. For example, the traceability of manufactured products is taking on a greater role. The Industrial IT area is also becoming more important to Prevas' Industrial Systems customers.

Customers

Prevas strengthened its position with existing customers, along with increasing its total number of customers.

Currently, just 25 percent of total sales at Prevas come from the company's 5 largest customers. Accordingly, this provides a broad base of customers from which the company can continue to grow.



Distribution of Prevas' customers by industrial sector

Examples of customer projects during the first quarter of 2008:

- Aerocrine, FDA approval for the US market.
- Ericsson, several projects within the area of product development.
- Novo Nordisk, development project.
- Rautaruukki, productivity optimization, quality and energy control for furnaces used in the steel industry.
- Westinghouse, new MES (Manufacturing Execution System) used in manufacturing nuclear fuel.
- Fresenius-Kabi, SCADA-system (Supervision, Control and Data Acquisition) for manufacturing pharmaceuticals.
- Revus, EAS (Enterprise Assets Reporting) for the oil and gas industry.
- Noreco, EAS (Enterprise Assets Reporting) for the oil and gas industry.
- Vestas, development project.
- Volvo Trucks, testing system.

The Product Development business area, a Nordic Design House for intelligent products

Market

Companies selling products with a high IT content increasingly entrust suppliers with more responsibility to deliver development projects. Thus, there is an increasing demand for suppliers that can take responsibility for the entire product development process. In order for products to be successful, development times must be kept short and the quality must be right. The Prevas Product Development business area, which is currently the Nordic leader for embedded systems, offers specialist expertise in order to develop intelligent products that are profitable for the customer. Since its founding in 1985, Prevas has developed over 2,000 successful products that have helped several of our customers become world leaders in their markets.

The market for the development of intelligent products is characterized by increasingly high demand. This is due to unavoidable shifts in technology for many products as well as ever-shortening life cycles for an increasing number of product categories.

A Nordic design house for intelligent products

An embedded system is otherwise known as the product's "intelligence" and it represents just one of the many parts of which a product is comprised. A design house works with the entire product development process, i.e. not just the design of embedded systems. Prevas has now taken the next step in its efforts to become "The Nordic Design House for intelligent products". This implies the following:

- A larger content of platforms in development work in order to increase efficiency and profitability for both Prevas and the customer.
- A focus on "Centers of Excellence." Such centers are being built up within various industrial sectors, such as Life Sciences, Telecommunications, Engineering, Vehicle and Defense. These investments will lead to more efficient product development and enable our employees to specialize on certain sectors and areas.
- A broader offering that covers the entire product development cycle, thus increasing our presence with existing customers.
- Increased efforts to take on international projects.
- More partner cooperation with strategically chosen subcontractors.

Centers of Excellence

"Centers of Excellence" is a unique Prevas concept that provides customers with significant advantages by making the product development process more efficient. Each "Center of Excellence" is focused on a specific area of expertise that enables a high level of specialization and domain knowledge. Examples of established "Centers of Excellence" within this business area are: Life Science, Connected Devices and Test System Design.

Building blocks

One way to make the product development process for small to medium-sized volumes more efficient is to use finished building blocks. Prevas has designed and focused on several processor modules and IP blocks that are ready for use in future product development projects. In fact, these are already being used in several customer applications.

The Industrial Systems business area, Nordic leader for Industrial IT

Market

Productivity and quality aimed at improved profitability are becoming increasingly important to industrial firms as global competition continues to rise. For many years now, Prevas has been cooperating with industry to implement investments within the area of industrial IT aimed at utilizing potential to improve both productivity and quality. Automation, logistics and traceability are the core components of the Prevas Industrial Systems business area. This makes Prevas the natural choice as partner to the industry to achieve improved productivity and quality. Prevas has been delivering profitable, innovative solutions to industry for over 20 years. Since its founding in 1985, Prevas has used its industry knowledge to make over 1,000 project deliveries that have lowered costs, improved quality and strengthened the brand name of many leading global organizations.

The market for investments in industrial IT is experiencing double-digit growth annually and this business area is following the trend. We have witnessed a continued strong market during the start of 2008 and we expect this situation to continue during the rest of the year.

Nordic leader for Industrial IT

Prevas offers business development, turnkey systems and specialist services in automation, logistics and traceability. The innovative use of IT, thorough sector and technology expertise and the reuse of components and products, enables Prevas to deliver cost-effective solutions to the customer.

Centers of Excellence

"Centers of Excellence" is a unique Prevas concept that provides customers with significant advantages by making the manufacturing process more efficient. Each expert center is focused on a specific area of expertise that helps in acquiring substantial knowledge about customer processes. Examples of the "Centers of Excellence" within the Industrial Systems business area at Prevas are: Internal Logistics, Traceability Solutions and Operations Efficiency.

Products, cooperation partners and acquisitions

Prevas offers products and solutions within the areas of automation, logistics and traceability. For example, within the area of automation, we have products for production monitoring, quality surveillance and management of production cells. Inventory optimization, crane control and automated control of driverless trucks are just some examples of solutions within the area of logistics. Within the area of traceability there are products for product traceability, process traceability and labeling. Another very exciting area is the company's products and solutions for furnace optimization designed for the steel industry. Here, productivity and quality are improved while decreasing the consumption of power during manufacturing.

Prevas has a strategic cooperation agreement with Wonderware regarding their standard software applications to control and monitor manufacturing processes. This is starting to bring about tangible results in the form of new projects within a variety of industrial sectors.

Prevas' expansion in Norway is also starting to show clear results. The "springboard" for our expansion in the Nordic region is working extremely well.

Key financial indicators - quarterly

| | 2008 | 2007 | 2007 | 2007 | 2007 | 2006 | 2006 | 2006 | 2006 |
|------------------------|-------|-------|------|-------|-------|------|------|------|------|
| | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 | Q 4 | Q 3 | Q 2 | Q 1 |
| Net sales, MSEK | 153.7 | 138.8 | 97.6 | 117.9 | 116.6 | 79.6 | 61.1 | 70.5 | 67.1 |
| EBIT, MSEK | 16.8 | 2.0 | 1.3 | 3.1 | 12.6 | 4.0 | 4.1 | 4.2 | 5.4 |
| Operating margin, % | 11.0 | 1.5 | 1.3 | 2.7 | 10.8 | 5.0 | 6.8 | 6.0 | 8.0 |
| Number of working days | 62 | 62 | 65 | 59 | 64 | 63 | 65 | 59 | 64 |

Financial

Invoice rate

The integration of businesses that were acquired in 2007 has now been completed. This, together with the strong demand for Prevas' services has led to an increase in the invoice rate during the period to 76 (69) percent. The invoice rate is calculated as the number of billable hours divided by the total number of working hours used by the company. Prevas uses this figure as an indication of its efficiency. This key ratio includes all employees in consulting operations, including management and administration.

Employees

The average number of employees during the period was 528 (412). Of the total number, 394 (298) employees worked within the Product Development Business Area and 116 (96) within the Industrial Systems Business Area. There were also 18 (18) employees in management and administration. Employee turnover during the period was 4.3 (6.8) percent. The total number of employees at the end of the period was 565 (440), of which 11% were women.

Sales and profits for the first quarter of 2008

Sales during the period amounted to SEK 153.7 (116.6) million, an increase of 32 percent. Of the total growth in sales, 8% was organic growth. Sales per employee were SEK 291 (283) thousand. The total number of working days was 62 (64).

EBIT was SEK 16.8 (12.6) million with a corresponding operating margin of 11.0 (10.8) percent.

EBIT before depreciation of intangible fixed assets was SEK 18.4 (14.8) million with a corresponding margin of 12.0 (12.7) percent.

Net income for the year was SEK 11.5 (8.8) million.

Cash equivalents and cash flow

At the end of the period, cash equivalents equaled SEK 5.7 (25.3) million.

There was a negative cash flow for the year of SEK -1.7 (8.2) million. The negative cash flow for the period was primarily due to the payment of additional purchase price on previous acquisitions of SEK 11.9 million.

Financial position

Equity was SEK 132.2 (120.6) million at the end of the period, with a corresponding equity ratio of 46 (51) percent. Equity per share after dilution was SEK 13.60 (12.88).

Investments

The company made investments in fixed assets worth SEK 4.0 (3.7) million during the period. Of the total amount, SEK 3.9 (2.7) million was for machinery and equipment, while SEK 0.1 (1.0) million was for product development and other intangible assets. During the period, there was payment of additional purchase price on previous acquisitions amounting to SEK 11.9 million.

Risks and uncertainties

Prevas relies on certain guiding principles when it comes to managing risks in various parts of its business. Successful risk management is a continuous process conducted within the framework for operations management. It is an integral part of the everyday follow-up of the business. No other significant risks or uncertainties over and above those presented in Prevas' annual report have been identified during the period.

Accounting principles

This interim report was prepared in accordance with IFRS and the requirements of IAS 34, Interim Financial Reporting. The same accounting principles and assessment bases that were used in the most recent annual report were also used to prepare this interim report. This interim report was prepared in accordance with the new rules in the Swedish Annual Accounts Act (ÅRL).

Dividends

At the AGM on 31 March 2008, it was decided that dividends would be paid at SEK 0.6 (1.00) per share. The payment of dividends is in accordance with Prevas' policy that the long-term level of dividends should be approximately 50 percent of after-tax profits. Payment of dividends was made at the beginning of April 2008.

Stockholm, 25 April 2008
Prevas AB (publ)

Mats Lundberg, CEO

The Company's auditors have not examined this interim report.

This is a translation of an original document in Swedish. In case of dispute, the original document should be taken as authoritative (Delårsrapport 2008 Q1.pdf at www.prevas.se). Or, contact the company directly.

Upcoming Reports

- 18 July 2008: Interim Report January - June
- 24 October 2008: Interim Report January - September
- 5 February 2009: Year-End Report for 2008

Information

For more information, please contact:

Mats Lundberg, CEO, tel. +46 (0) 8 726 40 02, +46 (0) 733 37 75 40

Peter Jansson, CFO, tel. +46 (0) 21 360 19 19, +46 (0) 70 191 03 41

Consolidated Financial Statements

| SUMMARY INCOME STATEMENTS (SEK thousands) | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|---|---------------------|---------------------|---------------------------|
| Net sales | 153,675 | 116,557 | 470,911 |
| Capitalized work | 132 | 986 | 5,078 |
| Other external costs | -30,223 | -21,909 | -99,497 |
| Personnel costs | -103,552 | -79,727 | -339,537 |
| Amortization of intangible fixed assets | -1,588 | -2,185 | -12,691 |
| Depreciation of property, plant and equipment | -1,612 | -1,150 | -5,231 |
| EBIT | 16,832 | 12,572 | 19,033 |
| Net financial items | -778 | -359 | -2,208 |
| Earnings from continuing operations before taxes | 16,054 | 12,213 | 16,825 |
| Taxes | -4,530 | -3,455 | -5,250 |
| Net Income for the period | 11,524 | 8,758 | 11,575 |
| Earnings per share before dilution, SEK | 1.18 | 0.96 | 1.22 |
| Earnings per share after dilution, SEK | 1.18 | 0.95 | 1.21 |
| Equity per share before dilution, SEK | 13.57 | 12.92 | 13.04 |
| Equity per share after dilution, SEK | 13.60 | 12.88 | 12.87 |

| BUSINESS UNIT PERFORMANCE | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|----------------------------------|---------------------|---------------------|---------------------------|
| Net sales, kSEK | | | |
| Product Development | 115,259 | 91,186 | 364,027 |
| Industrial Systems | 38,416 | 25,372 | 106,884 |
| Total | 153,675 | 116,557 | 470,911 |
| EBIT, kSEK | | | |
| Product Development | 11,524 | 12,315 | 23,260 |
| Industrial Systems | 5,308 | 257 | -4,227 |
| Total | 16,832 | 12,572 | 19,033 |
| Operating margin, % | | | |
| Product Development | 10.0 % | 12.1 % | 6.4 % |
| Industrial Systems | 13.8 % | 1.0 % | -4.0 % |
| Total | 11.0 % | 10.8 % | 4.0 % |

| PERFORMANCE PER GEOGRAPHIC REGION | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|--|---------------------|---------------------|---------------------------|
| Net sales, kSEK | | | |
| Sweden | 127,196 | 105,777 | 401,861 |
| Denmark | 20,898 | 10,780 | 63,943 |
| Norway | 5,581 | - | 5,107 |
| Total | 153,675 | 116,557 | 470,911 |

Consolidated Financial Statements (cont.)

| SUMMARY BALANCE SHEETS, (SEK thousands) | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|--|---------------------|---------------------|---------------------------|
| Intangible assets | 120,814 | 94,869 | 122,534 |
| Property, plant and equipment | 18,622 | 12,692 | 16,349 |
| Financial fixed assets | 1,787 | 1,923 | 1,881 |
| Current receivables | 141,692 | 102,779 | 129,638 |
| Cash and cash equivalents | 5,687 | 25,253 | 7,415 |
| Total assets | 288,602 | 237,516 | 277,817 |
| Equity | 132,165 | 120,589 | 126,925 |
| Provisions | 6,850 | 5,852 | 6,532 |
| Interest-bearing liabilities | 48,315 | 38,574 | 42,745 |
| Other current liabilities | 101,272 | 72,501 | 101,615 |
| Total liabilities and equity | 288,602 | 237,516 | 277,817 |

| CHANGES IN EQUITY, kSEK | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|--------------------------------|---------------------|---------------------|---------------------------|
| Opening balance | 126,925 | 92,450 | 92,450 |
| New issue | – | 18,566 | 29,347 |
| Employee stock option program | 30 | 599 | 1,576 |
| Issue of share warrants | 21 | – | 126 |
| Translation difference | –492 | 215 | 1,200 |
| Dividends * | –5,843 | – | –9,349 |
| Net Income for the period | 11,524 | 8,758 | 11,575 |
| Closing balance | 132,165 | 120,588 | 126,925 |

* Approved dividends paid in April.

| CASH FLOW ANALYSIS, (SEK thousands) | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|--|---------------------|---------------------|---------------------------|
| EBIT | 16,832 | 12,572 | 19,033 |
| Adjustment for items not included in cash flow | 2,941 | 2,292 | 17,650 |
| Net financial items | –778 | –228 | –2,208 |
| Taxes paid | –3,113 | –5,178 | –5,874 |
| Change in operating receivables | –12,054 | –16,625 | –40,893 |
| Change in operating liabilities | 4,769 | 9,479 | 15,151 |
| Cash flow from continuing operations | 8,597 | 2,312 | 2,859 |
| Acquisition of businesses and shares, excl. cash equivalents | –11,845 | –23,665 | –28,150 |
| Investments in fixed assets | –4,017 | –3,710 | –13,854 |
| Sale/disposal of fixed assets | – | – | 274 |
| Cash flow from investment activities | –15,862 | –27,375 | –41,730 |
| Change in interest-bearing liabilities | 5,570 | 32,664 | 36,835 |
| Employee stock option program | 30 | 599 | 1,576 |
| Dividend paid | – | – | –9,349 |
| Cash flow from financing activities | 5,600 | 33,263 | 29,062 |
| Cash flow for the period | –1,665 | 8,200 | –9,809 |
| Cash equivalents at the beginning of the period | 7,415 | 17,053 | 17,053 |
| Translation difference on cash equivalents | –63 | – | 171 |
| Cash equivalents at the end of the period | 5,687 | 25,253 | 7,415 |

Consolidated Financial Statements (cont.)

| KEY INDICATORS | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|---|-------------|-------------|-------------------|
| Gross margin | 13.0 % | 13.6 % | 7.8 % |
| Operating margin | 11.0 % | 10.8 % | 4.0 % |
| Profit margin | 10.4 % | 10.5 % | 3.6 % |
| Earnings per share before dilution, SEK | 1.18 | 0.96 | 1.22 |
| Earnings per share after dilution, SEK | 1.18 | 0.95 | 1.21 |
| Average number of shares before dilution, in thousands | 9,738 | 9,100 | 9,467 |
| Average number of shares after dilution, in thousands | 9,778 | 9,226 | 9,557 |
| Number of shares before dilution at end of reporting period, in thousands | 9,739 | 9,349 | 9,736 |
| Number of shares after dilution at end of reporting period, in thousands | 9,925 | 9,585 | 9,916 |
| Equity ratio | 46 % | 51 % | 46 % |
| Equity per share before dilution, SEK | 13.57 | 12.92 | 13.04 |
| Equity per share after dilution, SEK | 13.60 | 12.88 | 12.87 |
| Return on capital employed | 9.5 % | 9.9 % | 13.1 % |
| Return on equity | 8.9 % | 7.3 % | 10.0 % |
| Average number of employees | 528 | 412 | 448 |
| Number of working days | 62 | 64 | 250 |
| Invoice rate | 76 % | 69 % | 72 % |
| Sales per employee, kSEK | 291 | 283 | 1,051 |

Parent Company Financial Statements

| SUMMARY INCOME STATEMENTS (SEK thousands) | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|---|---------------------|---------------------|---------------------------|
| Net sales | 124,655 | 104,043 | 398,186 |
| Capitalized work | 132 | 985 | 5,076 |
| Other external costs | -26,176 | -21,760 | -90,009 |
| Personnel costs | -83,482 | -69,879 | -289,455 |
| Amortization of intangible fixed assets | -2,750 | -3,199 | -16,768 |
| Depreciation of property, plant and equipment | -1,004 | -670 | -3,293 |
| EBIT | 11,375 | 9,520 | 3,737 |
| Profit/loss from participations in group companies | | | -20,881 |
| Interest income and similar profit/loss items | 1 | 61 | 483 |
| Interest expenses and similar items | -680 | -377 | -1,604 |
| Earnings from continuing operations before taxes | 10,696 | 9,204 | -18,265 |
| Appropriations | | | 1,810 |
| Taxes | -3,067 | -2,611 | -1,541 |
| Net Income for the period | 7,629 | 6,593 | -17,996 |

| SUMMARY BALANCE SHEETS, (SEK thousands) | 2008 Q 1 | 2007 Q 1 | 2007 Full Year |
|--|---------------------|---------------------|---------------------------|
| Intangible assets | 39,429 | 45,722 | 42,047 |
| Property, plant and equipment | 9,119 | 5,689 | 8,052 |
| Financial fixed assets | 46,317 | 49,209 | 46,313 |
| Current receivables | 115,158 | 86,096 | 105,953 |
| Cash and cash equivalents | 59 | 20,531 | 60 |
| Total assets | 210,082 | 207,247 | 202,425 |
| Equity | 77,736 | 98,171 | 75,920 |
| Untaxed reserves | - | 1,810 | - |
| Provisions | 373 | 200 | 373 |
| Interest-bearing liabilities | 40,598 | 32,000 | 36,099 |
| Other current liabilities | 91,375 | 75,066 | 90,033 |
| Total liabilities and equity | 210,082 | 207,247 | 202,425 |